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# BEYOND OLIGARCHY? CRITICAL EXCHANGES ON POLITICAL POWER AND MATERIAL INEQUALITY IN INDONESIA

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In December 2012, a group of political economists, political scientists, and political sociologists gathered at the University of Sydney to consider the effects of inequalities in wealth and power on contemporary Indonesian politics.<sup>1</sup> The lively and critical discussion over two days centered on competing interpretations of oligarchy in Indonesian democracy by scholars representing a range of theoretical traditions. This special issue is the product of these discussions.

As Jeffrey Winters noted at the workshop, “beyond oligarchy” could mean one of two things in assessments of the state of Indonesian politics. On the one hand, it could refer to a time when oligarchs were no longer politically dominant. On the other, it

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<sup>1</sup> The workshop was co-hosted by the Department of Indonesian Studies at the University of Sydney, the Sydney Southeast Asia Centre, and the Cornell Southeast Asia Program. Michele Ford’s co-convenorship of the workshop and co-editorship of this special issue was undertaken as part of an ARC Discovery Project (DP120100654).

could refer to a framing of politics that does not focus as closely on the interests and influence of the very rich. What we mean by “beyond” is very much the latter. Like the great majority of scholars of contemporary Indonesian politics, all those present at the Sydney workshop are sensitive to the influence of material power in post-Suharto Indonesia. However, most of those participants do not explicitly work within the oligarchy framework, as proposed either by Winters or by Richard Robison and Vedi Hadiz. Instead, they emphasize other factors shaping Indonesian politics, including non-material sources of political power, the organization of oppositional forces, electoral institutions and the political incentives that they produce, and the craft and skill of Indonesia’s political leaders. The debate, then, is over starting points and emphases. Is material power the fundamental driver of Indonesian politics? How should scholars approach non-material interests in the context of oligarchy?

The insights generated by scholars of oligarchy should be taken seriously. Indeed, the express purpose of the workshop was to challenge the assumption that scholars drawing on different theoretical traditions necessarily always operate within “parallel universes” when it comes to the study of politics in Southeast Asia.<sup>2</sup> As the workshop demonstrated, this does not have to be the case. At the same time, it is important to recognize that—extensive citation of the work of Robison and Hadiz in contemporary research on Indonesian politics notwithstanding—there had been little productive exchange among proponents of the oligarchy thesis and scholars who adopt a different perspective. As a result, the literature risked becoming mired in stale, predictable, and unproductive pronouncements, rife with caricatures and misrepresentations, on all sides. In the absence of vigorous and genuine exchange, there is a danger that the field could evolve into a collection of inward-looking scholarly camps whose failure to engage seriously with the important theoretical and empirical contributions of those working in other traditions lessens its collective capacity to understand and theorize Indonesian politics. The purpose of the workshop, and of this special issue, is to promote such exchange.

Our experience in Sydney, and subsequently at the 2013 conference of the Association for Asian Studies (AAS) in San Diego, California, confirmed that these conversations best happen in person. Face-to-face interactions force us to take responsibility for our positions, and to respond to questions and challenges informed by different theoretical traditions in a way that written exchanges do not. The five essays in this collection—the output of those face-to-face discussions—represent distinctive statements about political power and material inequality in contemporary Indonesia. By publishing them as a collection, we seek to reclaim a tradition of focused debate about Indonesian politics at a time in which major works on post-New Order Indonesia have offered very different interpretations of the essential character of Indonesian democracy.

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<sup>2</sup> Richard Robison, “Interpreting the Politics of Southeast Asia: Debates in Parallel Universes,” in *Routledge Handbook of Southeast Asian Politics*, ed. Richard Robison (London: Routledge, 2011), pp. 5–22.

## Oligarchy: An Overview

The concept of oligarchy is associated with three major scholars of Indonesian politics: Vedi Hadiz, Richard Robison, and Jeffrey Winters. Robison and Hadiz's *Reorganising Power: The Politics of Oligarchy in the Age of Markets*<sup>3</sup> and Winters's *Oligarchy*<sup>4</sup> share an approach to Indonesian politics that emphasizes the primacy of material resources as a form of both economic and political power. These works are also theoretically distinctive, departing from the conceptualization of oligarchy that has emerged from the power elite and elite theory traditions within politics and sociology.<sup>5</sup>

A core feature of analyses of Indonesia using the oligarchy framework is the claim that democratization has changed the form of Indonesian politics without eliminating oligarchic rule. Both Winters and Robison and Hadiz accept that the formal structures of electoral democracy can coexist with oligarchic rule, most often where democracy exists in minimalist or procedural terms.<sup>6</sup> Hadiz and Robison observe that oligarchy and procedural democracy are compatible, and find that meaningful elections have changed the behavior of oligarchs. Both analyses allow that democracy has had real effects on oligarchic rule, but deny that this implies that oligarchy is necessarily diminished by competitive elections. This point has important consequences for any evaluation of the quality of Indonesian democracy in the post-Suharto era. While the behaviors and strategies of oligarchs may have been modified by the imperatives of electoral democracy—and, indeed, by introduction of additional loci of decision-making with the advent of decentralization—there is no institutional, electoral, or mobilizational “fix” to the problem of oligarchy. According to both Winters and Robison and Hadiz, the degree of political change needed to disrupt the nexus between wealth and political power in Indonesia (as elsewhere) is, in fact, no less than revolutionary.

The commonalities between *Reorganising Power* and *Oligarchy* notwithstanding, their understandings of how material inequality shapes Indonesian politics differ in several important ways. A close examination of these differences, therefore, is timely, not least because of the influence that these analyses exert. The approach offered by Robison and Hadiz in *Reorganising Power* and related work has been invoked in many interpretations of Indonesian politics since the fall of the New Order. Winters, meanwhile, has used his expertise as a scholar of Indonesian political economy to produce a work that has been recognized as a signature contribution to mainstream political science.<sup>7</sup> As Winters's argument joins that of Robison and Hadiz in

<sup>3</sup> Richard Robison and Vedi R. Hadiz, *Reorganising Power in Indonesia: The Politics of Oligarchy in an Age of Markets* (London: RoutledgeCurzon, 2004).

<sup>4</sup> Jeffrey Winters, *Oligarchy* (Cambridge: Cambridge University Press, 2011).

<sup>5</sup> See C. Wright Mills, *The Power Elite* (New York, NY: Oxford University Press, 1956); and Gaetano Mosca, *The Ruling Class*, trans. Hannah D. Kahn (New York, NY: McGraw-Hill Book Company, Inc., 1939). As Winters argues, these works are departures from the classical understandings of oligarchy that originated in the works of Plato and Aristotle.

<sup>6</sup> Adam Przeworski, “Minimalist Conception of Democracy: A Defense,” in *Democracy's Value*, ed. Ian Shapiro and Casiano Hacker-Cordon (New York, NY: Cambridge University Press, 1999).

<sup>7</sup> In Winters's 2011 book, Indonesia constitutes one case study in a larger comparative exploration of oligarchies ranging from the prehistoric era, through classical Greece and Rome and medieval European, to contemporary treatments of Singapore, the Philippines, and the United States.

characterizing oligarchy in Indonesia, it is important to recognize that, whatever their similarities, these arguments draw on different theoretical backgrounds and have different implications for the study of Indonesian politics.

The first and central difference between the two analyses of oligarchy lies in its definition. Both theses emphasize the key concept of wealth defense. Robison and Hadiz describe oligarchy as a “system of power relations that enables the concentration of wealth and authority and its collective defence,”<sup>8</sup> and Winters as the “politics of wealth defense among materially endowed actors.”<sup>9</sup> But whereas Robison and Hadiz are decidedly neo-Marxist in their positioning of oligarchy within the development of global capitalism, Winters’s emphasis is on the more Weberian concern of the role and locus of coercion in the politics of wealth defense. In other words, while both Robison and Hadiz and Winters understand oligarchy differently than do analysts of oligarchy, elite domination, and related phenomena working with the power elite tradition, they also understand it quite differently from one another. This fundamental difference has great consequences for the operationalization of wealth defense as a concept. For Hadiz and Robison, the collective nature of oligarchy is fundamental, as is the concurrence between conflicts over wealth and political authority. Winters’s definition of oligarchy, by contrast, does not require collective behavior by oligarchs, nor the pursuit or defense of authority: these are possible, not necessary, implications of oligarchic rule.

Various other differences follow from these different conceptualizations of oligarchy. Most obviously, *Oligarchy* and *Reorganising Power* differ in their focus. *Reorganising Power* offers a deep analysis of the Indonesian case. In it, Robison and Hadiz argue that Indonesia’s oligarchy is a condition of late capitalism in the periphery. Their historical discussion reveals that it is also a relatively recent development, dating to the late New Order period:

... the relationships between state authority and the bourgeoisie in Indonesia changed from a Bonapartist form in the early Suharto era to one that took an oligarchic form in the later New Order period. This was a state that had become the possession of its own officials and that acted to preserve its own institutional underpinnings and on behalf of major capitalist interests. Such a state was transformed to one that was defined by an increasing fusion of wealth and politico-bureaucratic power, articulated in the relationships and interminglings between the leading families of business and those of politics and the bureaucracy as they became enmeshed directly in the ownership and control of capital.<sup>10</sup>

This change in the relationship between wealth and political power over the course of the New Order suggests that capitalism does not always produce oligarchic rule. This contrasts with the comparative focus adopted by Winters, which positions oligarchy as a more general phenomenon. In Winters’s analysis, oligarchy is a property of any social formation characterized by a very uneven distribution of material

<sup>8</sup> Vedi Hadiz and Richard Robison, this volume. It is worth noting that this most recent definition differs from that which they offered in *Reorganising Power*.

<sup>9</sup> Winters, *Oligarchy*, p. 7.

<sup>10</sup> Hadiz and Robison, this volume.

resources. The central message from this conceptualization is that oligarchy manifests itself differently across epochs and political contexts.<sup>11</sup> But insofar as capitalism produces extreme inequalities in wealth, it produces extreme inequalities in material power, and oligarchy is inevitably the result.

As applied to Indonesia, these approaches also differ in their primary unit of analysis. With his definition of oligarchy as the politics of wealth defense by materially endowed actors, Winters's analysis centers on individual actors who sometimes act collectively, but often do not. The emergence of various forms of oligarchy—warring, civil, sultanistic, and ruling—presented in *Oligarchy* is primarily determined by the different threats oligarchs face and how wealth defense is accomplished. Electoral politics is a possible channel for the exercise of power in the pursuit of wealth defense, and oligarchs may choose to support, sponsor, or even become political elites. But while “extreme material inequality necessarily produces extreme political inequality,”<sup>12</sup> it does not require that all individual oligarchs engage in the political sphere or hold positions of direct rule. This contrasts with Robison and Hadiz's emphasis on the collective system of power relations in Indonesia and the evolving relationship between the state and the bourgeoisie, which—returning to their definition of oligarchy—entails the fusion of wealth accumulation and political power from the late New Order period. Neither approach ultimately privileges structure over agency, but Winters's analysis of Indonesian politics places relatively more emphasis on agency than does the analysis by Robison and Hadiz.

The identity and importance of “outsiders” as a challenge to oligarchy also differs in the two approaches. The fusion of wealth accumulation and political power and the emphasis on the systemic aspects of oligarchy in Robison and Hadiz's conceptualization imply that outsiders are those who are not members of the politico-bureaucratic elite. Winters, by contrast, distinguishes between oligarchs and actors in the social formation who are able to muster substantial power resources other than material wealth and use them to threaten oligarchs' capacity to engage in wealth defense. Thus, like other kinds of non-oligarchic power contenders, “political elite” only becomes legible as an analytical category when its power resources are sufficient to threaten the material interests of the very wealthy, and are used for that purpose.

Both analyses invoke a similar caveat when it comes to “outsiders” who rely on mobilizational power. All three authors point to the disorganization and fragmentation of the Indonesian working class, and, indeed, of other oppositional forces.<sup>13</sup> Yet the implications of this fragmentation differ for the two analyses. Class relations are a central problématique for Robison and Hadiz. In the Indonesian case, they argue, the working class is disempowered to an extent that it is unable to act in pursuit of its own interests either by itself or in alliance with the liberal middle class. Winters agrees that the Indonesian working class is insufficiently powerful to challenge the material resources of the oligarchs, but would argue that the working class is but one potential

<sup>11</sup> Other forms of economic organization—feudalism, plantation agriculture, and many others—can also produce extreme wealth stratification, and thus oligarchy.

<sup>12</sup> Winters, this volume.

<sup>13</sup> Edward Aspinall, “A Nation in Fragments: Patronage and Neoliberalism in Contemporary Indonesia,” *Critical Asian Studies* 45,1 (2013).



vehicle for mobilizational power in Indonesia or elsewhere. In other words, where Robison and Hadiz understand working-class movements as the logical outcome of class-based exploitation, Winters chooses not to look to class but rather to mobilizational power—which may at times coincide with particular class formations—as a fundamentally different kind of power resource, which offers the possibility of explosive change but little else. This is so, he argues, because of the difficulty in sustaining a high level of mobilizational activity, but also because great material wealth can be used to purchase mobilizational and, indeed, other forms of power.

A final distinction between the two analyses of oligarchy lies in their scale or level of analysis. Winters's analysis uses examples from multiple jurisdictional levels of oligarchic power, but in the case of Indonesia offers little discussion of how to apply the concepts of oligarchic scale and intensity beyond Jakarta, or of how oligarchic power at different scales may interact. In some locations in the Indonesian periphery, including most obviously resource-rich regions, "national level" oligarchs have a direct interest and may seek direct influence. It is vital, however, also to pay careful attention to local oligarchs, whose existence is important to our understanding of local politics in both empirical and theoretical terms. The material resources of local oligarchs are almost always far less in absolute terms than those of the national level oligarchs. But they are focused in a particular place, and complemented by the other power resources generated as a consequence of their social and economic position in that locality. This is important theoretically for those who seek to understand the impact of material wealth on local politics and to account for the ways that the combination of power resources held by local oligarchs stacks up against the very partial deployment of the resources of much richer national oligarchs in that particular locality. Such discussion does not fault Winters's analysis of oligarchy—its focus on national politics is certainly reasonable given the comparative nature of his work—but being able to shift the scale down to local politics is necessary for any complete understanding of Indonesian politics.

By contrast, Hadiz and Robison address local politics in decentralized Indonesia directly. Observing that decentralization has created a new arena of political conflict, they argue that the local political-bureaucratic elite inherited from the New Order has found this arena to be productive for amassing material resources. Not surprisingly, then, those local elites use the authority conferred upon them through decentralization to defend both the wealth that they have accumulated and the opportunities to do so afforded to them by the political structures associated with decentralization. The challenge to this perspective on local oligarchy lies in the positioning of non-material power resources, which are acknowledged by Hadiz and Robison to be essential components of local power configurations, but not necessarily theorized.

These differences—in definition, focus, unit of analysis, treatment of outsiders, and scale—clearly delineate the two dominant understandings of oligarchy in contemporary scholarship on Indonesia. Of course, for reasons outlined above, it would be mistaken to overdraw these distinctions, for there are broad commonalities between these analyses. But as became clear among all participants at the Sydney workshop, critiques of Winters's conception of oligarchy are not necessarily critiques of Robison and Hadiz's, and vice versa. Careful demarcation of the distinctiveness of the two approaches, while acknowledging their deep similarities, is necessary to

understand how oligarchy is employed as a way of understanding the importance of concentrated material wealth in Indonesia's political economy. A careful comparison of works by these authors allows for a better assessment of the strengths and weaknesses of their general approach—focused on oligarchy—by other scholars working within and outside this tradition.

### The Contributions

Winters's essay, which begins this special collection, outlines the key elements of his thesis of oligarchy as it applies to post-Suharto Indonesia. In it, Winters asserts that the dramatic changes brought about by democratization are real and important, but neither disrupted nor diminished oligarchic power. Rather, electoral democracy has been accompanied, he argues, by a shift from a sultanistic form of oligarchy, in which Suharto effectively set the rules of the oligarchic game, to a much less constrained "electoral ruling" form of oligarchy, in which oligarchs' strategies of wealth defense include an intense focus on the political realm. Winters concludes that this shift has been wildly successful, with oligarchs having "captured and now thoroughly dominat[ing] the country's democratic institutions."

While agreeing with Winters's conclusion that oligarchs dominate democratic Indonesia's political institutions, Hadiz and Robison's contribution offers a very different interpretation of the impact of Indonesia's transition to democracy on the form oligarchy takes. Where Winters identifies a dramatic shift in oligarchs' strategies of wealth defense (and consequently in oligarchic form), Hadiz and Robison argue that "the social order of the previous regime and its ascendant political forces remain intact and in charge of the state." Always central to their conceptualization of oligarchy, politico-bureaucratic power thus "continues to be the key determinant of how private wealth and social power is accumulated and distributed." Reformist individuals and new political vehicles may have emerged, but they have been quickly drawn into predatory politics, succumbing to a system shaped by an unchanging logic of oligarchy.

The three essays that follow offer analyses from scholars who bring different insights into Indonesian politics, and who represent different traditions in contemporary Indonesian political studies. R. William Liddle's essay acknowledges an imbalance of material resources, but advances an interpretation of Indonesian politics that prioritizes the actions of key individuals. Its main critique of the oligarchy framework in either form—either Winters's or Robison and Hadiz's—is that it prioritizes material power over other power resources, and obscures the craft that skillful politicians bring to bear in shaping the political arena. Like Winters, Liddle privileges agency. But where Winters is concerned with the cumulative effects of wealth defense by materially endowed actors, Liddle's ontology of the political centers on the individual and his or her ability to "create, mobilize, and deploy" political resources. In this way, individual actors can counteract constraints, which in the Indonesian context (as elsewhere in the modern world) necessarily include constraints imposed by those who possess great material wealth. His "theory of action" is a statement of what that analysis should become. It is equally a critique of approaches that focus on interest groups and social movements, to the extent that they privilege collective agency over the agency of the individual.

The key argument made in Thomas Pepinsky's essay is that a critical approach within the pluralist tradition offers a conceptual "toolkit" that allows us to move beyond the claims made about the intersection of material wealth and political power by the proponents of the oligarchy thesis towards causal accounts of its consequences for policymaking. Pepinsky characterizes his approach as a framework of analysis rather than a theory or description of Indonesian politics; a framework, he argues, can accommodate the key insights offered by each of the oligarchy theses while not being limited to them. At the core of his case lie two claims: that (a) critical pluralism has the capacity to produce hypotheses that can be falsified through empirical analysis; and that (b) the hypotheses it generates include, but are not limited to, hypotheses that test the link between political actions by or on behalf of those with great material wealth and the outcomes of contestations over policy. Therefore, unlike oligarchy, he contends, critical pluralism has the capacity to explain variation in policy outcomes under broadly similar structural conditions, and focuses on testing casual propositions derived from such explanations.

Edward Aspinall's essay also points to an analytical gap in the oligarchy thesis, namely the failure to acknowledge or theorize the role of mobilization and popular agency. As a consequence, he argues, scholars drawing on this framework have produced "mono-tonal characterizations of Indonesian politics" in the late New Order and Reformasi periods. Aspinall's key contention is that such characterizations do not recognize the influence of non-elite forces in shaping either regime change or post-authoritarian politics, including through alliances with elements of the ruling elite. Importantly, such alliances do not merely signify opportunities for cooptation, but can also channel non-elite interests in the policymaking process. Aspinall is careful to acknowledge that extreme material inequality has political consequences. He also emphasizes that oppositional forces are fragmented and disorganized. He nevertheless concludes that because Indonesian politics is marked by contestation as much as it is by oligarchic domination, an analytical focus on domination alone can neither understand nor explain the history and trajectory of Indonesian politics.

As these brief reviews make clear, it would be inaccurate to describe the five essays as capturing a single debate between proponents and opponents of oligarchy in Indonesian politics. Neither do these essays track other familiar organizing principles in contemporary Indonesian political studies: political science versus area studies, North American versus Australian schools, basic methodological or epistemological divides (quantitative versus qualitative, rationalist versus interpretivist, or positivist versus realist, and so on).<sup>14</sup> Rather, the essays by Aspinall, Liddle, and Pepinsky challenge the two oligarchy approaches on the grounds of their explanatory capacity (all three), their ontology of Indonesian politics (Aspinall, Liddle), their methodological orientation (Pepinsky), and the level of attention paid to non-material resources (all three). Aspinall, whose work most closely draws on comparative scholars of social movements and contentious politics, shares with Hadiz and Robison the emphasis on the disorganization and fragmentation of social forces as a fundamental characteristic

<sup>14</sup> On these divides, see Thomas B. Pepinsky, "Context and Method in Southeast Asian Politics" (available at [https://courses.cit.cornell.edu/tp253/docs/context\\_method.pdf](https://courses.cit.cornell.edu/tp253/docs/context_method.pdf), accessed August 6, 2013); "An Introduction to the State of Indonesian Political Studies," in *Producing Indonesia: The State of the Field of Indonesian Studies*, ed. Eric Tagliacozzo (Ithaca, NY: Cornell Southeast Asia Publications, forthcoming).



of Indonesian democracy. Pepinsky's emphasis on the policy objectives of political actors distinguishes his pluralist approach from the other contributions, but his analysis nevertheless recognizes and accommodates the structural constraints articulated in the oligarchy thesis. His essay is also more closely aligned with the contemporary emphasis on falsifiability and causal explanation in the social sciences than are any of the other essays. Liddle's contribution has a distinctive focus on agency: while other contributors are attentive to individuals and their actions, only Liddle argues that individual choices must be seen as basic drivers of broad changes in Indonesian politics. In sum, just as the two oligarchy theses differ in critical ways, so, too, do the alternative frameworks offered here.

One of the distinctive features of an earlier generation of Indonesia scholarship<sup>15</sup>—one which we seek to emulate—was that it not only applied existing theoretical perspectives to Indonesia, but refined theories and concepts, and generated new ones, from a close understanding of the Indonesian case. In this way, area-focused analyses can contribute to broader disciplinary developments in political science and related fields, something that all contributors to this special issue agree is an essential goal. Together, these essays constitute a first step in that direction. They capture five distinctive perspectives on material inequality and democracy in contemporary Indonesia, and collectively represent the first truly open and critical exchange on this topic since the fall of the New Order. We hope and expect that they will spark further debate on Indonesian politics over coming years.

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<sup>15</sup> See, among others, Benedict Anderson and Audrey Kahin, eds., *Interpreting Indonesian Politics: Thirteen Contributions to the Debate* (Ithaca, NY: Cornell Southeast Asia Program Publications, 1982); Karl D. Jackson and Lucian W. Pye, eds., *Political Power and Communications in Indonesia* (Berkeley, CA: University of California Press, 1978).